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Subject: Morning Energy, presented by the National Rural Electric Cooperative Association: What's inside the Senate farm

bill? — 11 states win WOTUS injunction — Oil refiners win out in biofuels stalemate

By Kelsey Tamborrino | 06/11/2018 05:42 AM EDT

With help from Annie Snider and Alex Guillén

SHIFTING GEARS TO SENATE'S FARM BILL: The Senate Agriculture Committee is aiming to move its long-awaited <u>farm bill</u> through the chamber in a speedy three-and-a-half weeks, hoping for a vote on the bipartisan measure that includes reauthorizing its Energy Title programs before the July 4 recess. Chairman <u>Pat Roberts</u> and ranking member <u>Debbie Stabenow</u> are hoping for a drama-free process, Pro's Agriculture team reports, starting with the committee mark up on Wednesday.

— Among the Energy Title programs that would be reauthorized are the Biorefinery Assistance Program, which provides loan guarantees to build facilities that make advanced biofuels and renewable chemicals; the Rural Energy for America Program, which gives grants for renewable energy systems and energy efficiency improvements; and the Repowering Assistance Program, which reimburses biorefineries for dropping fossil fuels in favor of biomass like wood chips and perennial grasses.

Digging deeper: Democratic Sen. Ron Wyden held up his soil provision for its focus on improving soil health, in a way that would also address climate change. Wyden's provision, he said in a <u>statement</u>, would establish a pilot project managed by USDA to promote the use of advanced farming practices to capture carbon in soil.

— Conservation programs were spared major cuts in the Senate legislation, leaving in place two flagship USDA conservation programs — the Conservation Stewardship Program and the Environmental Quality Incentives Program — as separate entities, while the House bill aims to combine parts of both, Pro's Liz Crampton writes. Read the draft bill here.

11 STATES WIN WOTUS INJUNCTION: A federal judge granted a <u>preliminary injunction</u> on Friday evening against the Obama administration's Waters of the U.S. rule to 11 states. Judge Lisa Godbey Wood for U.S. District Court for the Southern District of Georgia, a George W. Bush appointee, ruled that the states have a substantial likelihood of winning at least some of their claims against the 2015 rule, also called the Clean Water Rule. She singled out two of the states' claims as particularly strong: that the Obama rule violated the Clean Water Act with its sweeping coverage of wetlands and streams high up in the tributary network, and that it violated the Administrative Procedures Act by making significant changes between the proposed and final versions of the rule.

A nation divided: The Georgia court's injunction covers the states of Georgia, Alabama, Florida, Indiana, Kansas, North Carolina, South Carolina, Utah, West Virginia,

Wisconsin and Kentucky. That puts the rule on hold in half the country, with a North Dakota district court judge having granted a preliminary injunction to 13 states shortly after the rule was finalized in 2015.

But does it matter? Not immediately, since the Trump administration has already finalized a rule delaying the effective date for WOTUS until 2020. But environmental groups and blue states are challenging that delay rule in court; if they win, that could kick the 2015 rule back into effect. But perhaps more important than the

practical consequences is the signal the ruling sends: Friday's preliminary injunction is the first major ruling on the Obama rule since the Supreme Court kicked the fight down to district courts, and it suggests that opponents of the rule, who have a number of suits filed across the country, including a nationwide injunction request in a Texas district court, may have more wins ahead.

IT'S MONDAY! I'm your host Kelsey Tamborrino, and Andeavor's Stephen Brown correctly identified former President Bill Clinton as the last president to propose a rescissions package. For today: What is the oldest capital city in the United States? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytam, @Morning_Energy and @POLITICOPro.

Join Pro subscribers, expert reporters and key decision-makers from the executive branch, federal agencies and Congress for a full day of incisive policy conversations on July 17. Speakers include: Rep. Joe Crowley (D-N.Y.), Chairman, House Democratic Caucus, Kevin McAleenan, Commissioner, U.S. Customs and Border Patrol, and others. Register today.

** A message from the National Rural Electric Cooperative Association: America's electric cooperatives serve 1 in 8 Americans, providing affordable and reliable electricity around the clock. More than 900 electric cooperatives serve 56% of the American landscape, including exurban and rural America. Learn more: https://bit.ly/2kLKp7Z **

PHONE A FRIEND: Despite controversies surrounding mattresses and Chick-fil-A, EPA Administrator Scott Pruitt remains in the president's good graces, The New York Times <u>reports</u> in a story focusing on turnover within the White House. The Times writes that President Donald Trump has taken to seeking counsel from outside voices, including Pruitt, and "has dismissed the advice of several aides who have tried to persuade him to fire Mr. Pruitt in light of the growing questions about misuse of his authority." Trump and Pruitt "speak frequently, and the president enjoys discussing his negative view of Jeff Sessions, the attorney general, with the embattled EPA leader." Keep in mind, Pruitt <u>reportedly</u> has his eye on Sessions' job.

You can drive my car: But even with the president's support, emails continue to provide further fodder for Pruitt critics. ABC News dug out some emails exchanged last fall between a former Pruitt aide and a Toyota representative, which show the Lexus parent company offered the administrator a private chance to test drive one of its brand new Lexus' models — "a potentially problematic pitch to the head of a regulatory body from a company subject to its regulation." Toyota told ABC, however, Pruitt never drove the vehicles. More here.

ICYMI: Pruitt spoke before Colorado's Western Conservative Summit Friday night, where he continued to dismiss criticism as a product of the "substantial" and "transformative changes" occurring at his agency. Asked about criticism of his leadership, Pruitt said, "it was all about Washington and not about people across the country," according to E&E News' Jennifer Yachnin. "The president gets that, I get that, that's why you see a combustible situation."

IN THE SENATE: The Senate Appropriations Committee will pick up a series of spending bills this week, beginning Tuesday with a subcommittee markup on its Interior-Environment appropriations bill for fiscal 2019. The full committee is expected to take up the bill on Thursday morning. House appropriators advanced their \$35 billion Interior-EPA spending bill by a party-line vote last week.

START THE CLOCK: Now that the House has passed the president's roughly \$15 billion in spending cuts via <u>H.R. 3 (115)</u>, the Senate is running out of time to carry the torch to the finish line. Under an obscure federal law, Congress can take up the White House's plans for spending cuts with a simple majority in the Senate, Pro's Sarah Ferris reports. But those filibuster-proof powers expire: The Senate must approve the bill by June 22 or be forced to recruit Democrats to the effort. Read more.

A CLOSER LOOK AT THE COMMUNIQUE: The president left this weekend's G-7 meeting with an abrupt reversal on the joint communique, which U.S. officials worked closely with negotiators for days to write, POLITICO's Andrew Restuccia and Brent Griffiths report. Trump announced his decision in a tweet, lashing out at Canadian Prime Minister Justin Trudeau, who expressed opposition to Trump's trade policies at the conclusion of the summit. "... I have instructed our U.S. Reps not to endorse the Communique as we look at Tariffs on automobiles flooding the U.S. Market!" Trump wrote.

But while trade was the focus of Trump's ire, the communique he opted to leave behind also would have dealt with energy. Five bullet points of the agreement were devoted to "climate change, oceans and clean energy," although the U.S. was left out of any items specifically addressing climate change. "We commit to ongoing action to strengthen our collective energy security and demonstrate leadership in ensuring that our energy systems continue to drive sustainable economic growth," the document read.

The other nations also recommitted to the Paris climate agreement, while a separate line outlined that the United States "commits to ongoing action to strengthen the world's collective energy security, including through policies that facilitates open, diverse, transparent, liquid and secure global markets for all energy sources." Read it.

NO NEWS IS GOOD NEWS FOR REFINERIES: While corn-state Republicans thanked the president last week for squashing proposed changes to the Renewable Fuel Standard that would have sharply increased Renewable Identification Numbers in the market, experts tell Pro's Eric Wolff it's oil refiners who are reaping the rewards of the stalled deal. While refineries say the increase in RINs is necessary to bring down their cost of compliance, the dozens of economic hardship waivers already issued by Pruitt to small oil processors has pushed the cost of those credits to their lowest levels in five years — and without a biofuels deal those waivers will stay in place for now, Eric reports.

"No deal allows the EPA to continue to implement actions as they see fit, and those have been benefiting refiners," said Andy Lipow, an oil industry analyst with Lipow Oil Associates. "[Pruitt's] actions are geared toward helping manufacturing, and the oil industry is just one of the many he's been helping through the deregulation process."

But while those waivers have helped bring RIN prices down, ethanol producers complain it removes an incentive for oil industry players to develop new infrastructure to increase fuel blending. Brooke Coleman, executive director of the Advanced Biofuels Business Council, suggested Pruitt was pushing the limits of the program without concern that the changes could be cut down in court, as scandals mount around him.

"At the end of the day the political cost of all of this stuff ultimately falls on an administration that is unlikely to include him," Coleman said. "One has to wonder if his systematic dismantling of the RFS is something that comes to his benefit and to no one else and that's fine with him." Read more.

EPA SAYS IT WILL DECIDE FUTURE OF 2015 OZONE RULE BY AUGUST: EPA on Friday told a federal court that it expects to decide by Aug. 1 whether to formally reconsider the 2015 ozone standard. Lawsuits challenging the rule were put on hold in April 2017, just days before oral arguments were scheduled, because the agency said it needed time to decide whether to roll the standard back. EPA has since been ordered by the courts to issue almost all the designations that make up the next implementation step for the 2015 rule. In a Friday filing, EPA urged the court not to revive the suit per a recent request from the ozone rule's challengers, so that it can complete its reconsideration review by Aug. 1.

For those keeping track at home: It's been about 32 months since the 2015 rule was finalized. Because NAAQS standards are supposed to be reviewed every five years, we're currently about 28 months from the next statutory deadline. Factor in either court review time or a reconsideration rulemaking — the next ozone standard is much closer than you think.

POPE WARNS ON CLIMATE CHANGE: The Vatican's two-day confab with top oil executives this weekend centered around the risks of climate change, Reuters reports, with the pope telling executives it is destroying civilization and that the world must reduce fossil fuel use. Pope Francis addressed around 50 executives on Saturday, where he told them that energy access for all is necessary to eliminate poverty and hunger. Read more.

IRAN DEAL CLOUDS NORTH KOREA SUMMIT: Heading into this week's historic summit between Trump and North Korea's Kim Jong Un, the Iran deal lingers, POLITICO's Nahal Toosi reports. The Islamic Republic announced last week that it has expanded its ability to enrich uranium, a key ingredient for nuclear weapons, just weeks after Trump quit the Obama-era Iran deal — and the North Koreans are certainly watching to see what happens next. By insisting the Iran deal should have been far more comprehensive and longerlasting, Nahal writes, Trump has effectively set a higher — and potentially unattainable — standard for any deal with Kim. Read more.

Related reading: As Trump prepares for the summit in Singapore, he will do so without the help of a White House science adviser or senior counselor trained in nuclear physics, the Times <u>reports</u>, marking him as the first president since 1941 to not name one.

ZINKE WEIGHS IN: Interior Secretary Ryan Zinke appeared on Fox News this weekend to talk trade policy and national security ahead of the summit. Watch it here.

EASY RIDER: A custom Renewable Fuels Association motorcycle that runs on ethanol will debut tonight on an episode of Discovery Channel's "American Chopper." The bike by Paul Jr. Designs is part of RFA's recently announced "Fuel Your Knowledge" campaign to educate on ethanol-blended fuels in small engines, long a controversial issue in the mandates for the biofuel. The episode airs at 10 p.m. tonight.

WATCH: The Sierra Club is out with a new video featuring Minnesota landowners and how they feel about Enbridge's proposed Line 3 tar sands pipeline. Watch it here.

MOVER, SHAKER: The National Wildlife Federation will today announce that Mike Saccone will serve as its associate vice president for communications. Saccone most recently was communications director for the Keystone Policy Center.

QUICK HITS

— FERC and	climate c	hange: Wh	iere are we now'	? E&E News.

- Iran slams U.S. for seeking Saudi oil output hike, says OPEC won't comply, Reuters.
- —PG&E may face criminal charges after probe of deadly wildfires, <u>Bloomberg</u>.
- Loss of investigators slows key federal chemical safety agency, Houston Chronicle.
- Murphy flouting voters' will on Exxon settlement, groups say, <u>Associated Press</u>.
- The government's new contractor to run Los Alamos includes the same manager it effectively fired for safety problems, ProPublica.

HAPPENING THIS WEEK

MONDAY

- 8:30 a.m. The Woodrow Wilson Center's Polar Initiative <u>forum</u> on "Space Technology for a Smart and Resilient Arctic," 1300 Pennsylvania Avenue NW
- 9:00 a.m. Citizens' Climate Lobby International Conference and Lobby Day, 2500 Calvert St. NW
- 9:00 a.m. International Fuel Ethanol Expo, Omaha, Neb.
- 10:00 a.m. The Stanford Woods Institute for the Environment and the Stanford Precourt Institute for Energy forum on "Carbon Removal in the Climate Response Portfolio," 529 14th Street NW
- 11:00 a.m. The International Trade Administration <u>discussion</u> on "The Importance of Commercial Nuclear Exports to the U.S. Economy," 2322 Rayburn
- 12:00 p.m. Atlantic Council conversation with Vincent DeVito, 1030 15th Street NW
- 12:00 p.m. The Heritage Foundation <u>discussion</u> on "Common Sense Farm Subsidy Reforms," 214 Massachusetts Avenue NE
- 2:00 p.m. House Natural Resources Committee <u>field hearing</u> on "Effects of Mismanagement of the Cormorant in the Great Lakes Region," Alpena, Mich.
- 4:00 p.m. The Wilson Center Brazil Institute <u>discussion</u> on "Brazil-U.S. Cooperation in Implementing Carbon Emissions Reduction Policies," 1300 Pennsylvania Ave NW

TUESDAY

- 7:45 a.m. POLITICO Playbook Breakfast <u>interview</u> with House Majority Whip <u>Steve Scalise</u> on Republican priorities and the leadership agenda, 901 Fourth Street NW
- 8:30 a.m. The Fuel Cell and Hydrogen Energy Association <u>forum and showcase</u>, 1300 Pennsylvania Ave NW
- 9:30 a.m. Senate Appropriations Interior-Environment Subcommittee markup of the FY 2019 Interior-Environment appropriations bill, 124 Dirksen
- 9:30 a.m. The Woodrow Wilson Center's Environmental Change and Security Program <u>discussion</u> on "A More Resilient World: The Role of Population and Family Planning in Sustainable Development," 1300 Pennsylvania Avenue NW
- 10:00 a.m. Senate Energy and Natural Resources Committee hearing on FERC, 366 Dirksen
- 12:00 p.m. The High Performance Building Coalition <u>briefing</u> on building the industry of the future, 2322 Rayburn
- 12:30 p.m. The Henry L. Stimson Center and the Institute of Nuclear Materials Management <u>seminar</u> on the disposal of nuclear waste, 1211 Connecticut Avenue NW
- 1:00 p.m. United States Energy Association <u>discussion</u> on carbon capture use and policy, 1300 Pennsylvania Avenue NW

WEDNESDAY

- 8:15 a.m. NAESCO holds Technology and Financing Workshop, Milwaukee
- 8:30 a.m. Securing America's Future Energy <u>discussion</u> on "America's Workforce and the Self-Driving Future," 805 21st Street NW
- 9:30 a.m. Senate Agriculture Committee markup of the 2018 farm bill, 328-A Russell
- 10:00 a.m. Senate Energy and Natural Resources Committee hearing on various bills, 366 Dirksen
- 10:00 a.m. Senate Environment and Public Works Committee <u>hearing</u> on "Innovation and America's Infrastructure: Examining the Effects of Emerging Autonomous Technologies on America's Roads and Bridges," 406 Dirksen
- 1:00 p.m. The Electric Drive Transportation Association <u>discussion</u> on "Building the Modern Grid with E-Mobility," 529 14th Street NW
- 2:30 p.m. Senate Environment and Public Works Superfund Subcommittee <u>hearing</u> on "Oversight of the Army Corps' Regulation of Surplus Water and the Role of States' Rights," 406 Dirksen
- 2:30 p.m. International Association of Drilling Contractors <u>event</u> on "Onshore and Offshore Drilling Rigs," 406 Dirksen

THURSDAY

- 8:30 a.m. The National Academy of Sciences <u>workshop</u> on "The Feasibility of Addressing Environmental and Occupational Health Exposure Questions Using Department of Defense Biorepositories," 2101 Constitution Avenue NW
- 10:30 a.m. Senate Appropriations Committee <u>markup</u> of the FY 2019 Interior-Environment appropriations bill, 106 Dirksen
- 1:00 p.m. The Center for American Progress <u>discussion</u> on "Silencing Science: Risks Posed to Climate and Energy Data from Political Interference," 1333 H Street NW
- 3:00 p.m. The Woodrow Wilson Center <u>discussion</u> on "Building Resilience Through Integrated Regional Programming," 1300 Pennsylvania Ave NW

FRIDAY

- 8:15 a.m. Securing America's Energy Future <u>forum</u> on its report titled "America's Workforce and the Self-Driving Future," 805 21st Street NW
- 10:00 a.m. The Center for Strategic and International Studies <u>discussion</u> on Energy Department priorities, 1616 Rhode Island Avenue NW
- 12:00 p.m. The Global America Business Institute <u>discussion</u> on spent fuel management in Sweden, 1001 Connecticut Avenue NW

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** A message from the National Rural Electric Cooperative Association: America's electric cooperatives power 42 million members and empower their communities. Co-ops also play a vital role in transforming the electric sector. Advanced communications and automation technology enable electric co-ops to improve the resiliency and efficiency of their systems as they add renewable resources and build a network of microgrids. Learn more: https://bit.ly/2kLKp7Z **

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https://subscriber.politicopro.com/newsletters/morning-energy/2018/06/whats-inside-the-senate-farm-bill-247752

Stories from POLITICO Pro

Senate Ag debuts bipartisan farm bill Back

By Helena Bottemiller Evich, Catherine Boudreau and Liz Crampton | 06/08/2018 12:29 PM EDT

The Senate Agriculture Committee on Friday released its long-awaited <u>farm bill</u>, a measure crafted to draw bipartisan backing that would make only minor changes to the farm safety net and the food stamps program.

Senate Agriculture Chairman Pat Roberts (R-Kan.) and ranking member Debbie Stabenow (D-Mich.) have said for months they wouldn't undertake a major rewrite of farm policy or the Supplemental Nutrition Assistance Program — in part because the tight budget environment allows them no additional money to work with, but also because they chose to avoid the political conflicts that fueled the failed vote on the House farm bill last month.

"When ranking member Stabenow and I started this journey in Manhattan, Kansas, last year, we made a commitment to make tough choices and produce a good, bipartisan farm bill," Roberts said in a statement. "I'm pleased that today marks a big step in the process to get a farm bill reauthorized on time.

"Whether it's low prices, over-burdensome regulations, or unpredictable trade markets, it's no secret that farmers and ranchers are struggling," he added. "That's why we need a farm bill that works for all producers across all regions. Simply put, our producers need predictability — and that's just what our bill provides."

By opting to write a bipartisan measure, Roberts and Stabenow are hoping for a drama-free process that would quickly move the measure to the floor. The Senate Agriculture Committee plans to mark up the bill Wednesday, and Majority Leader Mitch McConnell has said he will bring it to the floor before the July 4 recess.

"From revitalizing small towns, to promoting good stewardship of our land and water, to expanding local food economies, this farm bill is a major bipartisan victory," Stabenow said in a statement.

The Senate's decision to propose a largely status quo bill that would be capable of winning support from both sides of the aisle sets up potentially contentious negotiations with the House should both chambers pass their respective bills.

The Senate bill, as expected, would leave SNAP largely unchanged. The House farm bill, <u>H.R. 2 (115)</u>, became a partisan lightning rod over its proposals to impose stricter work requirements on millions of able-bodied SNAP recipients, while tightening eligibility rules and significantly expanding state-run education and training programs.

Unlike the House bill, the Senate's effort doesn't call for new work requirements for SNAP recipients or significant changes to eligibility requirements. The bill would cut the majority of bonuses doled out to states for

reducing their error rates, a safeguard designed to address accusations that several states in recent years have essentially gamed the system to artificially lower their rates and thus collect incentive payments from USDA. The bill also would "modernize" how states administer SNAP verification, committee staff told reporters.

The bill also features a provision that calls for additional SNAP education and job training pilot programs — building off those authorized by the 2014 farm bill. The new pilots would be targeted at particularly vulnerable populations, including people who are elderly, homeless, recently incarcerated, disabled or struggling with substance abuse.

The House bill takes a somewhat different approach to SNAP job training, seeking a tenfold increase in federal funding while making participation for able-bodied adults largely mandatory (unless the recipient works an average of 20 hours per week).

Under the Senate bill's nutrition title, the Emergency Food Assistance Program, which helps dole out commodities to people in need, would get a boost in funding, and many other popular nutrition incentive programs would continue on as they are now. There's also a provision to create a new pilot program to examine the effectiveness of produce prescriptions — a practice by which doctors write prescriptions for people to purchase fruits and vegetables.

While the Senate bill largely seeks to lock in existing farm safety net policy, it contains provisions aimed at ensuring payments from the commodity support program known as Agriculture Risk Coverage are more consistent across county lines, but would leave the Price Loss Coverage support program untouched. The House measure would sweeten PLC, which triggers payments when crop prices drop below levels Congress sets in the law, by allowing reference prices to move upward as the market improves, but would cap them at 115 percent.

The adjusted gross income limit, which is aimed at preventing wealthy farmers from collecting commodity subsidies, would be lowered from \$900,000 to \$700,000 under the Senate bill. However, the bill would not tighten provisions defining what it means to be "actively engaged" in farming, an assessment that determines which producers are eligible for payments. <u>Chuck Grassley</u> (R-Iowa) has said he will offer an amendment at the markup to reform the definition to cut down on subsidies being paid to people who don't work the land.

The House farm bill would make it easier for farmers to collect greater subsidies, both by expanding eligibility to family members like nieces, nephews and first cousins, and by allowing each individual owner of farms that are structured as limited-liability corporations and S corporations to have their own payment limit, instead of an overall cap for the entire entity.

Conservation programs would see incremental adjustments under the Senate bill. That's at odds with the House's bid to overhaul the nation's conservation efforts by eliminating the Conservation Stewardship Program as well as seeking to cut \$800 million from the farm bill's conservation title over a decade. The Senate proposed no cuts to the title.

Under the Senate bill, acreage that is allowed to be enrolled in the Conservation Reserve Program would increase to 25 million, 1 million more acres than the current cap but still 4 million fewer than what the House proposed. The Conservation Reserve Program financially rewards farmers for taking environmentally sensitive land out of production.

The House bill, largely because of its SNAP proposals, was lambasted by Democrats as a raw deal for low-income people, and not a single Democrat supported it last month when it failed by a vote of 198-213. But that margin of defeat had much to do with the House Freedom Caucus revolting in an effort to force a vote on a conservative immigration package — a situation that remains unresolved and has clouded efforts to bring the bill up for a re-vote.

The process in the House has been so polarizing that House Agriculture ranking member <u>Collin Peterson</u> (D-Minn.) has said publicly that he would team up with Senate leaders during conference negotiations, if and when the process gets that far.

The current farm bill expires at the end of September.

To view online click here.

Back

Senate farm bill makes small tweaks to conservation programs Back

By Liz Crampton | 06/08/2018 02:07 PM EDT

Conservation programs were spared major cuts in the Senate <u>farm bill</u>, which seeks to leverage public-private partnerships to boost conservation efforts around the country.

That's a marked difference from the House's proposals to slash funding by more than \$800 million over ten years for conservation initiatives and to eliminate the Conservation Stewardship Program. The Senate bill would leave the two flagship USDA conservation programs — CSP and the Environmental Quality Incentives Program — as separate entities, while the House bill aims to combine parts of both.

The Senate <u>measure</u> would restore funding for the Agricultural Conservation Easement Program, which faced deep cuts in the 2014 farm bill. It also would increase funding for the Regional Conservation Partnership Program, a popular program that connects local environmental groups to farmers, and would increase flexibility in how the effort is administered in an attempt to incentivize more private investment.

The acreage cap under the Conservation Reserve Program — which pays farmers to take land out of production — would be lifted to 25 million acres under the Senate bill, in effect allowing for one million more acres to be enrolled. That bump would be paid for by lowering the annual rental rate for both general and continuous signups to 88.5 percent of the county rental rate. The House bill would increase the acreage cap to 29 million acres — an issue that will have to be worked out in conference should both chambers pass their legislation.

The Senate bill also contains a number of provisions geared at improving soil health and water quality.

To view online click here.

Back

EPA chief Pruitt is said to be eyeing attorney general job Back

By Andrew Restuccia | 01/05/2018 12:40 PM EDT

Scott Pruitt, the administrator of the Environmental Protection Agency, has told friends and associates that he's interested in becoming attorney general, according to three people familiar with the internal discussions.

With rumors swirling that Jeff Sessions could depart the administration and two members of the House Freedom Caucus <u>calling</u> on the former Alabama senator to resign, Pruitt is quietly positioning himself as a possible candidate for the job.

"Pruitt is very interested," a person close to him said. "He has expressed that on a number of occasions."

It's unclear whether Pruitt would be on the shortlist for the position, but people close to the president said Trump has grown to like him. Pruitt has emerged as the face of Trump's deregulatory agenda, taking steps to overturn former President Barack Obama's climate change regulations. He was also a leading advocate for pulling out of the Paris agreement on climate change.

Pruitt has developed a reputation in Washington as one of the most ambitious members of Trump's Cabinet, and people close to him have long suspected that he harbors bigger aspirations in politics, perhaps as governor or senator. Two people close to him also said he has toyed with the possibility of running for president someday.

The EPA denied that Pruitt is eyeing the attorney general position.

"No, this is not true," agency spokesman Jahan Wilcox said in a statement. "From creating regulatory certainty to cleaning up toxic superfund sites, Administrator Pruitt is solely focused on implementing President Trump's agenda to protect the environment."

Pruitt's allies stressed that he is happy at the EPA and, in the words of one person who has talked to him, "feels he's doing nation-changing work."

Before joining the Trump administration in February, Pruitt served as Oklahoma's attorney general, and he was a state senator before that.

A prominent Washington attorney advising one member of the administration said choosing Pruitt to replace Sessions would make sense because, as a member of the Cabinet who has already been confirmed by the Senate, Pruitt could serve in an acting capacity until he is formally nominated.

But a Pruitt nomination for attorney general would face fierce resistance from Democrats, who have criticized his tenure at the EPA, arguing that he is too closely tied to the oil industry and has weakened crucial environmental protections.

Sessions' relationship with Trump has ebbed and flowed in recent months. It reached a low point over the summer, when Trump called out Sessions on Twitter, publicly wondering why the attorney general wasn't investigating Hillary Clinton — and people close to the president said his relationship with Sessions has never fully recovered.

The president has also complained about Sessions' decision to recuse himself from the Russia investigation.

"Sessions should have never recused himself, and if he was going to recuse himself, he should have told me before he took the job and I would have picked somebody else," Trump said in a July interview with The New York Times.

The Times published <u>an article</u> on Thursday that said a top White House lawyer tried to persuade Sessions not to recuse himself. The Times also reported that a Sessions aide asked a congressional staffer whether he had damaging information about the director of the FBI at the time, James Comey.

Trump fired Comey in May, a move that is under scrutiny by special counsel Robert Mueller as he investigates whether the president obstructed justice.

It's unclear how the Times article will influence Sessions' status in the White House. A White House spokeswoman and several senior administration officials did not respond to requests for comment on the issue.

In an <u>op-ed</u> published on Thursday, Republican Reps. Mark Meadows and Jim Jordan, the chairman and former chairman of the conservative House Freedom Caucus, appeared to channel Trump's frustrations. The lawmakers called on Sessions to step down, railing against intelligence leaks to the press.

"Attorney General Jeff Sessions has recused himself from the Russia investigation, but it would appear he has no control at all of the premier law enforcement agency in the world," the lawmakers wrote. "It is time for Sessions to start managing in a spirit of transparency to bring all of this improper behavior to light and stop further violations.

"If Sessions can't address this issue immediately, then we have one final question needing an answer: When is it time for a new attorney general? Sadly, it seems the answer is now."

Eliana Johnson contributed to this report.

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Back

House appropriators advance \$35B Interior-EPA spending package Back

By Alex Guillén | 06/06/2018 05:04 PM EDT

The House Appropriations Committee today approved its \$35 billion Interior-EPA spending bill by a party-line vote of 25-20.

Committee Republicans <u>blocked</u> an effort from Democrats to boost EPA's Office of Inspector General by \$12 million, saying the watchdog already has "robust" appropriations. The bill funds the OIG at \$12 million less than his request, but higher than the amount requested by the White House.

The committee voted down an <u>amendment</u> that would have required EPA's administrator and deputy administrator to report public details of travel costs within 10 days of a trip, along with various amendments targeting a repeal of the Waters of the U.S. rule and other policy riders, along with EPA's proposed science transparency policy, offshore drilling and other standard policy disputes.

Lawmakers approved an <u>amendment</u> that would change revenue sharing for drilling in the Arctic National Wildlife Refuge. The approved amendment would send 50 percent of revenue to the federal government, 47 percent to the state and 3 percent to the Alaskan Native claims settlement fund.

They also backed a tongue-in-cheek <u>amendment</u> from Rep. <u>Marcy Kaptur</u> (D-Mich.) that would limit EPA from spending more than \$50 on any one fountain pen, a response to a recent Washington Post <u>report</u> that Pruitt spent \$1,560 for a dozen personalized fountain pens. The amendment passed with no "nay" votes.

WHAT'S NEXT: Lawmakers hope to have the bill before the full House sometime this summer, but it is unclear whether the Senate will act on a similar timeframe. Like most other appropriations bills in recent years, Congress has passed an omnibus rather than conferencing directly.

To view online click here.

Back

House Republicans serve up Trump's spending cuts Back

By Sarah Ferris | 06/07/2018 09:23 PM EDT

The House passed a cost-cutting measure Thursday that President Donald Trump has personally championed, advancing the first major deficit-reduction bill of his tenure.

Nearly every House Republican voted to support the roughly \$15 billion in spending cuts, which target spare cash at a slew of domestic programs, ranging from children's health insurance to public housing.

The White House has declared the legislation "an important step toward bringing the nation's fiscal house in order," part of a yearlong approach to "reduce wasteful and unnecessary spending." But even supporters of the proposal acknowledge that it is a modest effort, particularly after Republicans in Congress have repeatedly blown past fiscal restraints in pursuit of budget increases and tax cuts.

The bill would result in only about \$1 billion in real savings, according to Congress' budget scorekeeper, because the vast majority of the money couldn't — or wouldn't — be spent anyway. And that savings amounts to much less than 1 percent of the funding handed out under Congress' latest spending bill.

"I think it is a small step, probably more procedural than anything else," said Republican Study Committee Chairman Mark Walker (R-N.C.), who has helped push the bill to the floor over the past month. "At least we're still trying to have some kind of thought that we're fiscally conscious here."

Trump is the first president in two decades to use the rescissions tool. Under an obscure federal law, Congress can take up the White House's plans for reneging spending with a simple majority in the Senate.

The filibuster-proof powers do expire, however. The Senate must approve the bill by June 22 or be forced to recruit Democrats to the effort.

With just 10 working days until that deadline, prospects for the bill remain unclear in the Senate, where every GOP senator will need to support the package.

White House budget director Mick Mulvaney has personally met with Sen. Lisa Murkowski, an Alaska Republican who has raised issues with the cuts to CHIP, in an effort to secure her vote. Sen. Susan Collins of Maine, another GOP moderate, has not yet said whether she supports the bill.

Senate Appropriations Chairman Richard Shelby (R-Ala.) has also remained noncommittal to the package, despite a slew of changes from the White House.

"We'll see what the House does. We'll look at it," Shelby said on Thursday. "I think whatever we rescind, we ought to evaluate it. Is it substantive, or is it more optics, or what?"

The House vote comes a month after the White House unveiled its sweeping proposal, which proved <u>difficult to sell</u> across the GOP Conference.

Multiple Republican lawmakers in the House had refused to support the initial version because it would have eliminated funding to fight the Ebola virus amid emergence of a new outbreak in Central Africa. Others, mostly from New York and New Jersey, were skittish about eliminating money set aside from Hurricane Sandy recovery work. So the White House agreed this week to make concessions that would jolt the legislative effort back to life.

Officials released a revised package on Tuesday that backs away from cuts to anti-Ebola and hurricane recovery cash, though it maintained \$7 billion in cuts to the Children's Health Insurance Program. Those reductions have opened up a tough line of attack from Democrats, even after nonpartisan budget officials confirmed that the measure would have no effect on the health program for kids.

"\$7 billion for sick kids. It's really unbelievable if you stop and consider it," Rep. Joe Crowley (D-N.Y.) shouted from the House floor Thursday. "Republicans are asking children to pay for their tax cut to the rich."

Democrats on the Senate Budget Committee attacked the GOP's bill as "nothing more than a PR stunt," <u>arguing</u> that the Republican tax overhaul cost 1,300 times as much as the so-called rescissions package would save.

Just one day before the bill landed on the House floor, a fight over the children's health care program erupted in a closed-door House GOP meeting, with multiple lawmakers expressing concerns about the optics of those cuts ahead of the November elections.

The same day, leaders of the conservative Republican Study Committee said in a sit-down with House Speaker Paul Ryan that they wanted a vote on the rescissions package before agreeing to back any spending bills.

"In this conference, you sometimes have to draw a line in the sand," Walker said Thursday before the vote.

The White House's revisions didn't win the votes of every GOP holdout. Rep. Mario Diaz-Balart (R-Fla.), for example, said the latest version was "better," but voiced concerns with cutbacks to a low-income housing program.

"I commend them for looking at where we can save money. That's a good thing," Diaz-Balart said. "But now, we're down to probably less than \$1 billion, and some policy issues. Cutting money from a program to get people from dependency to self-sufficiency is probably not something we should do."

The \$15 billion in cuts marks the largest rescissions package in history and is far less of a lightning rod than Trump himself once imagined. After this spring's funding battle, the president vowed to use the obscure budget tool to claw back money from the trillion-dollar omnibus bill.

That changed after House Majority Leader Kevin McCarthy quietly helped persuade White House officials to lower their sights and produce a mostly controversy-free bill intended to reclaim unspent funding from past years.

Rep. Tom Cole (R-Okla.), a co-sponsor of the bill, described it as an attempt to "weed the garden."

"I started out as a skeptic," Cole said. "I actually raised questions about this, because I was afraid it would undo a carefully negotiated deal. It doesn't do that."

The Trump administration is already planning two more spending cutbacks, including one that would target money laid out under the fiscal 2018 spending package. The second proposal is expected before the midterm elections.

Fiscal hawks, like those at the Committee for a Responsible Federal Budget, are cautioning House Republicans not to take a victory lap on debt reduction after the rescissions bill.

"Rescissions are only a very small step forward in restraining spending," the group wrote in a statement Thursday.

Adam Cancryn contributed to this report.

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Trump stuns allies, won't sign G-7 joint agreement Back

By Andrew Restuccia and Brent D. Griffiths | 06/09/2018 02:37 PM EDT

President Donald Trump said the United States will not sign a joint agreement with other G-7 countries, an abrupt reversal that will further erode relations with key U.S. allies and underscore the country's increasing isolation under Trump.

Trump announced his decision in a tweet while lashing out at Canadian Prime Minister Justin Trudeau, who expressed opposition to Trump's trade policies at the conclusion of the contentious summit.

"Based on Justin's false statements at his news conference, and the fact that Canada is charging massive Tariffs to our U.S. farmers, workers and companies, I have instructed our U.S. Reps not to endorse the Communique as we look at Tariffs on automobiles flooding the U.S. Market!" Trump wrote, adding that Trudeau was "very dishonest and weak."

It's a remarkable change of tune for the United States. U.S. officials worked closely with G-7 negotiators for days on the communique, and other nations took pains to ensure that Trump would sign on, despite deep disagreements on trade.

Trump's decision is likely to further divide the U.S. from its G-7 allies, who have long been skeptical of the president and have publicly and privately expressed deep frustration with Trump's flippant comments and desire to overhaul their trade policies.

For Trump, the decision may be a political winner. The president's base is deeply skeptical of the system of international cooperation that has for so long been at the core of U.S. foreign and economic policy.

Earlier in the day, Trump rated his relationship with G-7 leaders a perfect 10 — but the deep divide between the United States and some of its closest allies nonetheless shined through at the high-profile summit in Canada.

Even as Trump insisted he gets along just fine with his counterparts leading Canada, France, Germany, Italy, Japan and the United Kingdom, he further ostracized himself, arguing that Russia should be invited back into

the exclusive international group and threatening to cut off trade relations with the G-7 nations if they don't rethink what he says are unfair trade practices.

"The G-8 is a more meaningful group than the G-7," Trump told reporters in a free-wheeling press conference before departing the continent for his historic meeting with Kim Jong Un.

Indeed, Trump did little to hide his distaste for the summit from the outset — arriving late to the summit on Friday and missing his first scheduled meeting with French President Emmanuel Macron and then joining a Saturday breakfast on gender equality after it had already started.

Soon after Trump boarded Air Force One, having cut short his time in Canada, German Chancellor Angela Merkel's office distributed a photograph of G-7 leaders standing in a semi-circle with Trump sitting on the other side of a table with his arms crossed — an image that underscored Trump's isolation.

Photos taken from other angles during the meeting appear to show a less dramatic scene, but the decision by Merkel's office to release that picture was nonetheless seen as a symbol of what many in the international community have begun derisively referring to as a the "G6 + 1."

Trump's ongoing efforts to strengthen ties with Moscow were perhaps the most unsettling for the West.

Russia was kicked out of the group, then the G-8, in 2014 for illegally annexing Crimea from Ukraine. Since then, Russia has been accused of meddling in the 2016 U.S. presidential election and poisoning a former Russian spy on British soil.

But Trump blamed former President Barack Obama, not Russian President Vladimir Putin, for the annexation of Crimea — adding that he may have done something different in response if it happened on his watch.

Trump's comments were met with skepticism from many U.S. allies. "Before discussions could begin on any of this, we would have to ensure Russia is amending its ways and taking a different route," British Prime Minister Theresa May said in a television interview on Friday after Trump first broached the issue.

Trump's comments about bringing Russia back into the G-7 come as he is planning a summit with Putin. The Kremlin said Saturday that Vienna has been <u>discussed</u> as a possible venue for the meeting.

In the run-up to the G-7 summit, Trump told people close to him that he was dreading the meeting. The president hates being lectured to by other foreign officials and he tends to avoid one-on-one confrontations. Trump is more fixated on building relationships with powerful and domineering world leaders like Putin, Chinese President Xi Jinping and Kim, who he is eager to meet in Singapore.

Tensions over trade, meanwhile, dominated the summit. As POLITICO <u>reported</u> on Friday, Trump, during a private meeting, floated the idea of ending all tariffs and trade barriers between the U.S. and its G-7 allies. Right before leaving for Singapore, Trump upped the ante in his press conference with reporters, warning that he could cut off or severely limit trade access to the United States if G-7 countries don't cooperate.

"We're the piggybank that everybody is robbing," Trump said. "And that ends."

The Trump administration recently imposed tariffs on steel and aluminum imports from Canada, Mexico and the European Union, a decision that sent shockwaves throughout the world and resulted in a <u>venomous response</u> from key U.S. allies. Ahead of the summit, Trudeau called the decision "insulting" and "totally unacceptable."

The U.S. imposed the tariffs on national security grounds, a rationale that offended close allies like Canada. But Trump refused to back away from that justification.

"It is our balance sheet, it is our strength, it is our national security," he told reporters. "To have a great military, you need a great balance sheet."

In his final press conference, Trudeau said people who expected the G-7 countries to resolve their differences with Trump on trade during the summit were expecting too much.

Trudeau also sharply disagreed with Trump's comments from earlier Saturday that the NAFTA deal should have a clause that sunsets the agreement, signaling more future fireworks on trade between the two nations.

"There will be no sunset clause," Trudeau said.

His words apparently set Trump off.

"PM Justin Trudeau of Canada acted so meek and mild during our @G7 meetings only to give a news conference after I left saying that, 'US Tariffs were kind of insulting' and he 'will not be pushed around.' Very dishonest & weak. Our Tariffs are in response to his of 270% on dairy!"

Every U.S. president has disagreements with other countries, even allies, but Trump's tweet marked an unprecedented rebuke of the nation's neighbor and ally.

And it's the latest example of Trump upending U.S. relations with longtime allies, and turning the tables on countries that have been dependable friends for decades.

Some G7 officials said Trump was too late. The communique was agreed, the summit done, the leaders packing up or already gone.

They noted the leaders' declarations are typically not signed, simply agreed at the summit and published by the host country. The declarations had already been published and distributed to reporters at the summit site before Trump blastd out his tweets.

"We stick to the communique as agreed by all participants," an EU official said.

Before Trump departed on Saturday morning, Trump had said that his relationships with other G-7 leaders could not be better.

"I would say the level of relationship is a 10," he said. "We have a great relationship, Angela and Emmanuel and Justin."

Trump also sought to cut through the tensions with some humor during the meeting.

"Justin has agreed to cut all tariffs," he joked with reporters on Friday during his bilateral meeting with Trudeau.

When Trudeau was asked if he was disappointed that Trump decided to leave the summit early, Trump interjected. "He's happy," Trump said, sticking out his tongue to indicate he was joking.

David M. Herszenhorn contributed to this report from La Malbaie, Canada.

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Biofuel deal stalemate keeps pressure off refiners Back

By Eric Wolff | 06/08/2018 02:33 PM EDT

Ethanol backers praised President Donald Trump this week for blocking changes to the biofuel program that they feared would be a setback for the corn-based fuel, but experts say it's oil refiners who are getting all the benefits from the stalemate.

Iowa Republican Sens. <u>Chuck Grassley</u> and <u>Joni Ernst</u> both <u>thanked Trump</u> on Tuesday for refusing to sign off on a deal to alter the Renewable Fuel Standard to expand sales of E15 fuel but allow exports of ethanol to qualify for compliance credits, a change that would have sharply increased the number of those Renewable Identification Numbers in the market.

Though refineries have portrayed that increase in RINs as a necessary approach to bring down their cost of compliance, the dozens of economic hardship waivers that EPA Administrator Scott Pruitt has granted to small oil processors has already pushed the cost of those credits to their lowest levels in five years. And the failure to reach an agreement on changes to the RFS mean those EPA waivers will stay in place for now.

"No deal allows the EPA to continue to implement actions as they see fit, and those have been benefiting refiners," said Andy Lipow, an oil industry analyst with Lipow Oil Associates. "[Pruitt's] actions are geared toward helping manufacturing, and the oil industry is just one of the many he's been helping through the deregulation process."

Ethanol producers say EPA has de facto lowered the legal ethanol blending mandate for U.S. refiners by at least 1.5 billion gallons by issuing the waivers. That, as well as the chatter about allowing RINs on exports, drove RIN prices down to 18 cents per gallon on Monday, a dramatic fall from prices near \$1 last August, according to energy price data service OPIS. Those prices has ticked up slightly to 21 cent per gallon by Thursday.

And RIN prices aren't expected to rise much, even though any deal is on hold for now.

"The only reason RIN prices are as high as they are today is uncertainty of small refinery policy," said Neelesh Nerurkar, an analyst with ClearView Energy Partners. "Just because a reform deal is on ice, doesn't mean RIN prices should shoot up."

Both Grassley and Ernst have been critical of Pruitt — who Ernst <u>derided</u> as "about as swampy as you get" this week — and ethanol groups expect that he will continue to be sympathetic to the complaints of the refiners. Pruitt was seen <u>at dinner</u> this week with Sen. <u>Ted Cruz</u> (R-Texas), who has championed the refiners' arguments in the White House talks.

"It's clear that the refiners have the ear of Administrator Pruitt," said Brooke Coleman, executive director of the Advanced Biofuels Business Council. "We feel like Administrator Pruitt is going to stay at it."

While the corn growers and ethanol backers have been pleased Trump has stuck to his promise to support the biofuel, some refiners say the agricultural groups may be missing an opportunity to stake out a real compromise

solution that allows them to sell more fuel, especially since Pruitt's EPA could find new ways to help the oil industry.

"There's going to be some changes in this program," said a refining industry source. "If anything, changes [ethanol producers] want to the RFS program will come with a price attached to it that is stability for RINs. They had a golden opportunity to get what they want the most. There are other options that almost certainly will proceed if this option is off the table."

EPA declined to comment on whether the agency would seek future changes to the RFS, but Pruitt has aggressively explored ways to change the program. Last fall he proposed cutting biodiesel requirements in half. When that effort failed, he put the word out that the agency would be taking a broader interpretation the rules allowing small refiners facing economic hardship to be exempted from requirements, according to an oil industry source.

EPA has reportedly granted waiver exemptions to the RFS to over two dozen refiners, along with retroactive exemptions to two refiners dating back to 2014. In at least once case, EPA granted an exemption to a refinery even though it exceeded the 75,000 barrel-per-day capacity definition of "small refinery" because the plant operated at lower volumes. Pruitt also granted a waiver to refiner Philadelphia Energy Solutions as part of the refinery's bankruptcy proceedings.

Those waivers have helped bring the RIN prices down, a core goal for the refiners, but one that ethanol producers complain removes an incentive for oil industry players to develop new infrastructure to increasing fuel blending.

Advanced Biofuel's Coleman suggested that Pruitt was pushing the limits of the program without concern that the changes could be cut down in court — even as questions about Pruitt's future swirl because of the growing number of scandals around him.

"At the end of the day the political cost of all of this stuff ultimately falls on an administration that is unlikely to include him. One has to wonder if his systematic dismantling of the RFS is something that comes to his benefit and to no one else and that's fine with him," Coleman said.

Members of Congress working on a legislative overhaul of the RFS would prefer to see to see EPA and the administration stop mucking around with the program. Sen. <u>John Cornyn</u> (R-Texas) and Rep. <u>John Shimkus</u> (R-Ill.) have been working on a bill to make broader changes. Supporters of a legislative fix worried that big administrative changes would suck the life out of an overhaul bill.

"The inability to reach a deal on administrative changes to the RFS perfectly illustrates the need for an enduring, legislative solution," said Jordan Haverly, a Shimkus spokesman. "That goal is no less difficult to reach, but it's the only way we'll get to an agreement that works for growers, producers, refiners, automakers, marketers, and most importantly, consumers."

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Nixed Iran nuclear deal looms over Trump's North Korea talks Back

By Nahal Toosi | 06/10/2018 06:59 AM EDT

Days before President Donald Trump embarked on a North Korea summit meant to solve one nuclear crisis, Iran hinted at another.

The Islamic Republic announced last week that it has expanded its ability to enrich uranium, a key ingredient for nuclear weapons. The move came just weeks after Trump abruptly quit the Barack Obama-era deal that largely dismantled Iran's nuclear program, and it could be a first step toward an eventual Iranian dash to a nuclear bomb.

Iran probably didn't time its move to throw a stink bomb into Tuesday's summit in Singapore between Trump and North Korean leader Kim Jong Un, experts say. But the news served as a vivid reminder of how the troubled Iran nuclear deal will haunt Trump's talks with Kim.

The North Koreans are certainly watching.

"In my informal conversations with North Korean officials, they have consistently brought up the Iran deal," said Suzanne DiMaggio of New America, who, like many North Korea analysts, occasionally engages in unofficial discussions with the country's representatives.

For all of Trump's criticisms of the 2015 Iran deal, it was one of the most rigorous nonproliferation agreements ever negotiated. By insisting the Iran deal should have been far more comprehensive and longer-lasting, Trump has effectively set a higher — and possibly unattainable — standard for any deal with Kim.

Democrats say Trump's actions on Iran could undermine him as he seeks a deal with North Korea. "The fact that the U.S. president pulled out of an international agreement, it does affect America's credibility," said Sen. Ben Cardin (D-Md.). "I don't want to overstate it, but it doesn't help."

Trump aides argue, however, that by scrapping the Iran deal, the president has demonstrated his seriousness about securing a better bargain with Kim.

So far, Kim has shown no sign that Trump's withdrawal from the Iran agreement makes him less willing to strike a deal of his own with the United States. Nor has North Korea responded to Trump's vow, in remarks to reporters Thursday, that he is "totally prepared to walk away" from his talks with Kim, unlike U.S. negotiators Trump says were too eager to accommodate Iran.

But reaching a credible deal with North Korea will likely be far harder than it was to reach the deal with Iran, according to former U.S. officials and analysts.

The main reason: Unlike Iran, which always said its nuclear program was meant for civilian use, North Korea already has nuclear weapons, and it has even threatened to use them against the United States.

North Korea's overall nuclear program is more advanced and more widespread. It is also believed to be partly hidden underground, making it harder to understand and almost impossible to fully disable in a military strike. All those factors give Kim more negotiating leverage than Tehran had during the Obama years.

Reaching that more basic agreement with Iran still took several years of talks, sanctions and implementation work. It included an interim deal as well as coordination with world powers beyond the United States.

A permanent agreement with North Korea — in which the country, at a minimum, eliminates its nuclear stockpile — will also likely to take years to implement, given the size and complexity of its nuclear program. And that's only if North Korea agrees to give up its nukes, something many analysts say its isolated and paranoid leadership will never do.

Despite Trump's criticisms of Obama's "rotten" deal with Iran, he's already following a similar strategy when it comes to North Korea.

Just as the U.S. and its allies jointly cranked up economic sanctions to bring Tehran to the negotiating table, the Trump administration has rallied other countries around a "maximum pressure campaign" imposing new sanctions on North Korea. The Iranians, their economy in pain, eventually agreed to talk.

The Trump team also has indicated that, as with the Iran deal, economic incentives will be at the heart of any agreement with North Korea. Secretary of State Mike Pompeo has spoken of private-sector investment in North Korea, while Trump said last week that his diplomacy could "usher in a new era of prosperity, security and peace for all Koreans, for North and South, and for people everywhere."

While Iran was eager to see sanctions lifted on its oil-exporting economy and has courted foreign investment, North Korea's demands may be more complicated. North Korea has a smaller and far less globally integrated economy than Iran, making it less vulnerable to sanctions pressure.

North Korea has also spurned offers of economic help, saying in a recent statement that "we have never had any expectation of U.S. support in carrying out our economic construction and will not at all make such a deal in the future." That leaves many experts predicting that what Kim really wants is assurances about his regime's security.

One of Trump's complaints about the Iran deal was that it was too narrow — that it didn't cover Iran's ballistic missiles, its sponsorship of terrorism and other vexing matters. Obama aides say that had they tackled those elements, they never would have reached a deal, because Iran refused to discuss issues beyond its nuclear program.

If Trump expands his demands to cover things like North Korea's atrocious human rights abuses or its stockpile of chemical and biological weapons, that will make any deal harder and more time-consuming. It will also likely require additional U.S. concessions. But leaving such issues untouched will expose Trump to criticism that he went too easy on Kim.

Making matters somewhat easier is the fact that North Korean troublemaking beyond its borders is fairly modest, at least as compared to Iran's multiple interventions across the Middle East, a region of far more political interest to Washington than East Asia.

It remains unclear what Kim truly wants from Trump. Even the North Korean leader's stated commitment to "denuclearization" is vague and could mean that he will give up his nuclear arms only over a long period of time or after controversial U.S. steps like a possible removal of America's 28,500 troops from South Korea.

One sensitive issue will be the duration of any agreement Trump reaches with Kim. Trump complained repeatedly that some provisions of the Iran deal expired after 10 or 15 years, alleging that that would allow Iran to resume a robust nuclear program. Trump insisted, before withdrawing from the deal, that it be modified to restrict Iran's nuclear activities permanently.

If Trump ends up granting a "sunset" for any North Korea deal, he'll be open himself to charges of hypocrisy.

In a <u>letter</u> to Trump last week, seven senior Senate Democrats, including Minority Leader Chuck Schumer, laid out tough benchmarks for what they'd like to see in a deal. It starts with the "dismantlement and removal" of all of North Korea's nuclear, chemical and biological weapons. The Democrats also insisted on severe restrictions on the country's ballistic missile work, as well as intrusive inspections like those required of Iran.

Ruling out the possibility of sunsets, they declared that "any agreement with North Korea must be permanent in nature." Their bottom line: Any deal giving North Korea sanctions relief for anything less than "the verifiable performance of its obligations to dismantle its nuclear and missile arsenal is a bad deal."

In a column published Tuesday, Seyed Hossein Mousavian, a former spokesman for Iran's nuclear negotiators, offered some advice to North Korea ahead of the summit, namely that its "main card in negotiations with the United States is its nuclear weapons."

"If [North Korea] gives up this bargaining chip upfront, it can forget about the United States implementing its side of the deal," Mousavian wrote on the NK News website. The Asian country "must seek a phased deal that requires each side to implement its commitments in a step-by-step fashion with proportional reciprocation."

Trump and Pompeo have already pre-empted one potential talking point from critics of their North Korea diplomacy: that Congress should have a say.

Republicans blasted the Obama White House for structuring the Iran agreement so that it was not a treaty requiring ratification by the U.S. Senate. But Pompeo, who last week called Obama's 2015 deal a "flimsy piece of paper," has said Trump would strive to submit the North Korea deal to the Senate in the form of a treaty.

But with partisan divides so strong, odds are low that a treaty could get the necessary two-thirds approval in the Senate. The more topics a proposed treaty with North Korea tackles, the greater the chances of political opposition — especially if the U.S. is seen as appearing a regime considered more brutal than the one in Tehran.

At the moment, the Iran nuclear deal hasn't fully collapsed — European countries who helped negotiate are looking for ways to salvage it, and Iran's announcement last week is said to be within the deal's boundaries.

As they watch the Iran deal teeter, some Obama administration officials who helped craft it say they nonetheless hope Trump's diplomatic overture to Kim succeeds.

Some of them note that a treaty would be difficult to secure, but said it probably would be fine if Congress passes special legislation reviewing any agreement with Kim, just as it did for the Iran deal. The Iran-related legislation requires that the president periodically certify to Congress whether Tehran is complying with the agreement.

When it comes to oversight, it's important to "not set thresholds that are impossible," said Wendy Sherman, a former U.S. official who has negotiated with Iran and North Korea.

If Trump can secure an agreement with North Korea that dismantles its nuclear program, tackles other areas of concern and is permanent, it would be a modern-day miracle, former officials and analysts say. The reality, though, is that even getting a deal with North Korea that mirrors the one with Iran would be a major accomplishment.

"The Trump administration will be very lucky to get a deal as good as the Iran deal with the North Koreans," DiMaggio said. "It should have been a model to emulate."

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